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SUBJECT: Chavez Seeks to Institutionalize His Regional Vision and Role

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CLASSIFIED BY: Robin D. Meyer, Political Counselor, DOS, POL; REASON:  
1.4(B), (D)

1. (C) Summary: Venezuelan President Hugo Chavez continues to try to institutionalize his revolutionary vision for Latin America and his regional leadership by formalizing his socialist ideology; creating and financing new regional political, economic, social and media structures; and trying to reorient existing regional organizations to reflect his "Bolivarian" goals. His efforts directly led to the creation of the Bolivarian Alliance for the Americas (ALBA), Petrocaribe, the Banco del Sur regional development bank, humanitarian "missions," and the Telesur and Radio del Sur media outlets. He strongly supported the creation of the Union of South American Nations (UNASUR), which he has tried to reorient along "Bolivarian" lines. So far, Chavez has had a mixed record in using these institutions to promote his desired response to regional and world events. However, he appears determined to shape the hemisphere according to his vision of "socialism in the 21st century," a vision that is almost the mirror image of what the United States seeks. Still well-funded and apparently undiscouraged by resistance and setbacks, Chavez will remain a significant force in Venezuela, and possibly the region, for the foreseeable future. End Summary.

Chavez's Vision of "Socialism in the 21st Century"

2. (C) In March 2005, President Chavez began calling for the creation of "the new socialism for the 21st century," saying that "capitalism is not a sustainable model of development." While the concept remains loosely defined, in practice, Chavez' "socialism for the 21st century" in Venezuela has involved the concentration of executive, legislative, judicial, economic, and media powers in the presidency. Chavez has even condemned the "division of powers" for "weakening the state" (ref P). A defining feature of Chavez' vision is a broad-based hostility to the United States as an ideological foe and hegemonic threat. He appears committed to reducing Venezuelan economic dependence on the United States by developing alternative markets, suppliers, and foreign investors - regardless of whether these alternative arrangements are

economically comparable or even competitive. As domestic economic and social problems have multiplied, and as his poll ratings have declined, Chavez' anti-American rhetoric has become increasingly shrill.

Political Structures: Leftist Parties, ALBA and UNASUR

13. (C) President Chavez convened the First International Meeting of Leftist Parties in November 2009 (ref K), called for a "Fifth Socialist International," and permitted the use of a prime Caracas venue for the inaugural meeting of the Continental Bolivarian Movement (ref L) apparently as means to formalize his "Bolivarian" ideology. More importantly, however, he has systematically worked to create a regional network of political, economic, social, and media institutions to carry his message beyond Venezuela. He launched the "Bolivarian Alternative for the Americas" (ALBA) in 2004 in response to the U.S.-proposed Free Trade Area of the

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Americas (FTAA). Renamed an "Alliance" in June 2009, ALBA has grown from two to nine members: Venezuela, Cuba, Bolivia, Ecuador, Dominica, Nicaragua, Antigua and Barbuda and Saint Vincent and the Grenadines, and Honduras. (Note: The de facto post-coup government announced that it had withdrawn from the organization, but ALBA still considers Honduras a member. End Note.) ALBA has become a dependable political tool for Chavez, with member states apparently coordinating closely on domestic as well as foreign policies. For example, ALBA countries seem to be taking similar approaches toward political opponents (charging them with criminal offenses), the judiciary (subordinating it to political interests), the media (instituting stricter controls on broadcast content and media ownership), and presidential terms (amending constitutions to permit indefinite reelection). Internationally, ALBA member states promoted Chavez' policies at the 64th UN General Assembly (ref B), during preparation for the September 2009 Africa-South America Summit (ref E), in regional responses to the ouster of President Zelaya in Honduras and to the U.S.-Colombia Defense Cooperation Agreement (DCA), and at the Climate Change Conference in Copenhagen.

14. (C) President Chavez has also attempted to reorient the Union of South American Nations (UNASUR) along "Bolivarian" lines. UNASUR, composed of the twelve South American nations, was formally constituted in a meeting in Brasilia in 2008. It was initially intended as a political forum at the presidential and ministerial-level. The presidents of the member states were to rotate in the position of "President Pro Tempore" of UNASUR. The Chilean DCM told Polcouns in October that UNASUR was not originally intended to require any budgetary outlays, but President Chavez' aim has been to institutionalize UNASUR through the creation of a permanent secretariat. According to the Chilean DCM, Chavez had proposed Quito as the site of the headquarters and former Argentine President Nestor Kirchner as its Secretary General; Chavez clearly considers both Ecuadorian President Correa and Kirchner as allies. While there has been no movement on the nomination of a Secretary General because of Uruguayan opposition to Kirchner, the Venezuelan press reported on December 29 that Ecuadorian Foreign Minister Falconi announced that work on the UNASUR headquarters in Quito would begin in 2010. Chavez has tried to use UNASUR as a forum to rally South American presidents and foreign ministers to denounce the DCA. While a series of UNASUR summit meetings succeeded in focusing regional attention on the issue and in isolating Colombia, Chavez failed to achieve his goal of a unified UNASUR condemnation of the agreement (ref J).

Economic Structures: PetroCaribe, ALBA, the Sucre, and MERCOSUR

15. (C) On the regional economic front, President Chavez launched Petrocaribe and the ALBA development bank and has proposed a common currency (the "sucre") for ALBA partners. Initiated in 2005 with 14 members, 17 countries in Central America and the Caribbean now participate in Petrocaribe. These countries receive preferential terms on oil shipments from Venezuela and in many cases cooperate bilaterally with Venezuela on other energy-related projects. Ref F provides an overview of Petrocaribe and several other energy-related regional agreements Venezuela has initiated. The Venezuelan government (GBRV), acting through the state-owned oil company PDVSA, has not delivered the full quota of oil to which it committed under Petrocaribe: according to PDVSA's financial statements, in 2008 the GBRV delivered an average of 85,000 barrels per day (b/d) as opposed to a commitment of 162,000 b/d. Nonetheless, the deliveries represent an important savings for many cash-strapped governments. (Note: While one of Chavez' goals may have been to improve his political standing and influence with Petrocaribe member states, one indicator of such influence - voting records at the United Nations -- shows no trend toward greater correlation between Venezuela and Petrocaribe members since Petrocaribe began. End Note.)

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16. (C) Under the auspices of ALBA, Chavez has funded a Caracas-based regional development bank, Banco del ALBA, whose most ambitious economic project is the proposed common currency, the "sucre," announced in April 2009 (ref H). Scheduled to start in 2010, the "sucre" is intended as a "virtual currency" for trade between ALBA members as a first step toward the ultimate goal of a monetary union. While trade with other ALBA countries is not economically significant for Venezuela, accounting for 5 percent of its exports and 2 percent of its imports according to a recent estimate, trade with Venezuela can be very significant for the other ALBA members.

17. (C) The GBRV has also sought to increase its economic influence in UNASUR, successfully proposing a "Banco del Sur" as an alternative to existing multilateral development institutions. The presidents of Venezuela, Brazil, Argentina, Bolivia, Ecuador, Paraguay, and Uruguay recently signed a "constitutive agreement" (ref D), which now requires ratification. (Note: Venezuela ratified the agreement on November 23, 2009. End note.)

18. (C) Venezuela is also seeking membership in Mercosur, the trade bloc comprised of Argentina, Brazil, Paraguay, and Uruguay; it needs only the ratification of Paraguay's Senate for accession (ref I). While it is not clear that joining Mercosur would benefit Venezuela economically, Mercosur provides an alternative to U.S.-led regional free trade initiatives and could serve as another regional political platform for President Chavez.

19. (C) President Chavez has distanced himself from regional organizations that do not respond to his attempts at influence. In April 2006, Chavez announced Venezuela's withdrawal from the Community of Andean Nations (CAN) after Colombia and Peru began negotiating free trade agreements with the United States. While the GBRV has not formally completed the withdrawal procedures, under CAN rules, only tariff-related decisions and resolutions remain in force for 5 years from the date of a member's formal withdrawal. Likewise, Chavez has criticized the OAS [OEA in Spanish], saying in April 2009 that "the ill-fated ["funesta"] OEA has become an 'unburied cadaver.'"

Social Network: Bolivarian Missions

¶10. (C) The GBRV supports regional medical initiatives through the expansion of some of its domestic social welfare programs, the "Bolivarian Missions." "Miracle Mission," a GBRV program that pays for Cuban doctors to perform free eye surgeries, is the most significant of the missions. The GBRV claims that the "Miracle Mission" has helped over 400,000 people - mostly Venezuelans according to official statistics - but the program has also been extended to other ALBA member countries, including Nicaragua and Bolivia. "Mission Gregorio Hernandez" was founded in Venezuela in March 2009 to assist people with genetic diseases or disabilities. In addition to its work in Venezuela, the local press reported in November 2009 that the GBRV had donated USD 21 million worth of medical equipment to Ecuador, including wheel chairs, crutches, and food, to support "Mission Manuela Espejo," a separate program between Ecuador and Cuba to help the disabled. While the missions do not regularly release information about costs or medical impacts, they are used extensively in the GBRV's international public relations campaign.

Media Outlets: TeleSur and RadioSur

¶11. (C) President Chavez effectively uses media to extol the

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Bolivarian Revolution and to criticize the policies and activities of the United States. To control the message being broadcast domestically, he has closed scores of private radio stations and a major private television station, threatened others with closure and/or criminal prosecution, and required the media that remain to broadcast his many and lengthy public addresses ["cadenas"] (refs M, N, O).

¶12. (C) On a regional level, President Chavez has established both a television and a radio station to carry the "Bolivarian" message. In 2005, Venezuela launched TeleSur, a television network whose mission is to "promote the union of peoples of the South." It can be seen around the world via cable, satellite and internet. Argentina, Bolivia, Cuba, Ecuador, Nicaragua and Venezuela helped create the network, although the vast majority of funding comes from the GBRV and the network is headquartered in Venezuela. TeleSur has permanent correspondents in BogotC!, Brasilia, Buenos Aires, Caracas, Mexico City, Havana, La Paz, Lima, Managua, Quito and Washington, and a network of contributors in 12 other cities. Network and GBRV officials are candid about TeleSur's mission: to promote in the region and the world the Bolivarian Republic and its ideology in general, and the ideas, programs and interests of President Chavez in particular. TeleSur benefits from modern technology and professional employees and has a growing reach, even providing video feeds to CNN Espanol during part of the 2009 Honduran crisis.

¶13. (C) The GBRV recently expanded its international media reach with the November 2009 launch of Radio del Sur, first proposed in ¶2006. Radio del Sur closely covers news about ALBA and efforts to promote political, economic, and cultural integration of the Americas, including many of Chavez's initiatives. Venezuela provides news programs and interviews, and editing and coordination takes place in Caracas. On the Radio del Sur website, "laradiodelsur.com," nearly 100 stations from Latin America, the Caribbean, the United States, Canada and the Canary Islands are listed as partners. According to one media report, the GBRV hopes to translate the content into French, English, Dutch and Arabic so that it can expand throughout the African continent.

Billions to Bankroll His Role and His Vision

¶14. (C) President Chavez has devoted considerable financial resources to underwriting his regional role. Opposition party "Justice First" recently claimed that Chavez gave USD 8.35 billion in assistance to 15 countries, ALBA and Petrocaribe in 2009, and a total of USD 61.5 billion since 2005. According to "Justice First," the largest recipients since 2005 have been Cuba (USD 20.5 billion), Argentina (USD 8.6 billion), and Nicaragua (USD 7.1 billion).

Comment

¶15. (C) President Chavez seems to believe that the success of his "Bolivarian" project requires some level of international acceptance. Toward this end, he has worked to establish his international democratic credentials through frequent elections that international observers have deemed generally free and fair, although noting some irregularities. Behind the scenes, however, he has rigged the electoral law, the National Electoral Council, voting districts, and the media in his favor. He has also disqualified potential rivals through administrative sanctions ("inhabilitaciones") and criminal charges, which have led some to leave the country rather than faced the politicized judiciary. When opposition candidates have won important mayoralties and governorships, the National Assembly has enacted legislation

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stripping those offices of authority and resources.

¶16. (C) At the regional level, President Chavez has tried to underscore his own legitimacy and insulate himself and his allies from criticism by encouraging the development of political and economic structures where he and like-minded leaders can promote their own "democratic" norms. Regional leaders who disagree with his "Bolivarian" vision, such as Colombian President Uribe and Peruvian President Garcia, are characterized as reactionary oligarchs who are serving the interests of the United States rather than of their own people.

¶17. (C) President Chavez has shown himself to be determined to advance his regional political project and undiscouraged by resistance and setbacks. After ten years in office, the appeal of the Chavez "project" is declining somewhat in Venezuela, although the major Venezuelan polls still find that Chavez personally enjoys a 50-60 percent approval rating. In Latin America, Chavez has successfully tapped into - and galvanized -- the traditional anti-American sentiment and Marxist worldview of leftist parties. However, his approval ratings in the region overall are trending down and averaged between 20-30 percent, according to the 2009 Latinobarometro poll. While in recent years the United States has encouraged efforts at intra-regional coordination, since the creation of ALBA, Chavez has tried to make anti-Americanism a central tenet in all intra-regional forums. To the extent that Chavez succeeds in creating "Bolivarian" regional institutions, he may be able to secure his own role in the region even if elections in other countries remove his political allies from office.

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